GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:4530
ANSWERED ON:11.08.2014
JET ETIHAD DEAL
Trivedi Shri Dinesh

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Jet Airways has recently signed any deal with Etihad Airways and if so, the details thereof;

(b) whether Air India has raised concerns over this deal and if so, the details thereof; and

(c) the likely impact of Jet-Etihad deal on Air India?s flights operating to/from Delhi and Mumbai airports?

Answer

Minister of State in the Ministry of CIVIL AVIATION (Shri Siddeshwara)

(a) Foreign Investment Promotion Board (FIPB) approved the proposal submitted by M/s Etihad Airways PJSC, UAE for subscription of 27,263,372 equity shares of face value of Rs. 10 each of Jet Airways (India) Limited by way of preferential allotment for an amount not exceeding Rs. 20,57,66,52,711.02 at Rs 754.74 per share on 10.10.2013. With this preferential allotment of equity shares, Etihad Airways PJSC would hold 24% of the post issued paid up equity share capital of Jet Air (I) Ltd.;

(b) & (c) The concerns raised by the stakeholders including Air India were considered at appropriate forums and after taking into account the passenger interests for enhanced international connectivity to new overseas destinations and services from international airports in India other than gateway cities as well as overall economic interest of India in terms of Government`s policy of liberalization for attracting foreign investment, a Memorandum of Understanding (MoU) was signed with the Government of UAE (Abu Dhabi) for enhancement in traffic entitlement in a phased manner. It is also stated that bilateral traffic rights to Indian carriers are allocated as per laid down guidelines. However, primacy of the national carrier has been retained as traffic rights are allocated to other carriers only after considering the operational requirements of Air India.;